


PRIME SPECIALTY
28 West 44th Street
Suite 218
New York, NY 10036

Dear Policyholder:

We are pleased to enclose your Commercial General Liability Policy as bound with State National Insurance Company through our underwriting agency, Prime Specialty, Inc. Please review it carefully.

In the event of a claim that may be covered under this policy, please forward all information pertaining to said incident to:

National Claim Services, Inc.
Post Office Box 500698 (31150)
Northridge Center 1
365 Northridge Rd.
Suite 400
Atlanta, GA 30350

Attention: Henrietta Dyer, Vice President
Phone: 800-424-0132
Fax: 770-670-4070
Email: hdyer@natlclaim.com

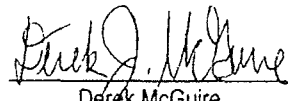
Please feel free to contact your broker if you should have any questions, comments or concerns about your policy.

Very truly yours,


Kieran Xanthos

Kieran Xanthos

President and Chief Underwriting Officer
Commercial General Liability Dept.


Derek McGuire

Derek McGuire

Vice President
Commercial General Liability Dept.

EXHIBIT A



28 West 44th Street
Suite 218
New York, NY 10036

P. 212-685-6000 F. 646-625-3889

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, the Company agrees with the Named Insured as follows:

COMMERCIAL GENERAL LIABILITY
(OCCURRENCE FORM)

COMPANY: STATE NATIONAL INSURANCE COMPANY

DECLARATIONS

- I. **NAMED INSURED:** Scungio Borst & Associates, LLC.
- II. **NAMED INSURED ADDRESS:** 2 Riverside Drive
Camden, NJ 08103
- III. **POLICY PERIOD:** July 1, 2014 to January 1, 2016
(or until end of project, whichever comes first)
Beginning and ending at 12:01 A.M. Local Standard
Time at the address of the Named Insured.
- IV. **POLICY NUMBER:** CTM1300794

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES
ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE
INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST
MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW
AND REGULATIONS.

CLASS CODE: 2-14000

V. LIMIT OF LIABILITY:

- A. LIMIT EACH OCCURRENCE: \$2,000,000.00
- B. PRODUCTS-COMPLETED OPERATIONS
AGGREGATE LIMIT: \$4,000,000.00
- C. PERSONAL INJURY AND ADVERTISING
INJURY LIABILITY LIMIT: \$1,000,000.00
- D. DAMAGE TO PREMISES
RENTED TO YOU LIMIT: \$ 50,000.00
- E. MEDICAL EXPENSE LIMIT: \$ 5,000.00
- F. GENERAL AGGREGATE LIMIT: \$4,000,000.00

VI. DEDUCTIBLE: Not Applicable
OR
SELF-INSURED RETENTION:

VII. PREMIUM AND REPORTING:

(A) DEPOSIT PREMIUM:

(B) MINIMUM PREMIUM:

(C) PREMIUM ADJUSTMENT AND REPORTING: The premium charged for this policy has been calculated at the rate of hard costs during the Policy Period. On or before the 30th day following the expiration of this policy, the insured agrees to submit to Prime Specialty, Inc. a report of hard costs during the Policy Period.

Earned Premium will be calculated at the above rate, and any premium in excess of the Deposit Premium shall be immediately due and payable upon furnishing the aforesaid report. In the event that the Earned Premium is less than the Deposit Premium but more than the Minimum Premium, the Company will return the difference between the Deposit Premium and the Earned Premium. In the event that the Earned Premium is less than the Minimum Premium, the Minimum Premium will apply and the Company will return the difference (if any) between the Deposit Premium and the Minimum Premium.

(D) AUDIT: The insured shall keep an accurate record of hard costs during the Policy Period. Prime Specialty, Inc. through its authorized representative shall be privileged to inspect the books and records of the insured pertaining to the subject matter of this insurance at all reasonable times during the life of this policy and for twenty four (24) months after the expiration or termination date of this insurance. Any evasion by the insured in connection with statements shall void such policy and shall be an absolute defense to any suit or action brought under such policy.

(E) CANCELLATION: In the event of cancellation, the insured agrees to furnish the company with an accurate statement of hard costs for the period from the attachment date of this policy up to and including the date of cancellation, such statement to be the basis for premium adjustment as provided herein. Revised Minimum and Deposit Premiums will be calculated as set forth below, and the Earned Premium for the amended Policy Period will be applied against these revised Minimum and Deposit Premiums in accordance with Declaration VII(C).

In the event of cancellation by the Company, the revised Deposit Premium will be calculated by subtracting the pro rata return premium due from the Deposit Premium set forth in Declaration VII(A). The revised Minimum Premium will be determined by dividing the Minimum Premium set forth in Declaration VII(B) by the Deposit Premium set forth in Declaration VII(A) and multiplying the resultant fraction times the revised Deposit Premium.

In the event of cancellation by the insured, the revised Deposit Premium will be calculated by subtracting the "short-rate return premium" due from the Deposit Premium. In such event, unless modified by specific endorsement, the revised Minimum Premium will be the same as the revised Deposit Premium.

(F) DEFINITIONS:

1. "Gross Receipts" means the gross amount of money charged by the Named Insured for "Your Product" and "Your Work" during the Policy Period, and includes taxes, other than taxes which the Named Insured collects as a separate item and remits directly to a governmental division.
2. "Payroll" means the total remuneration paid to each employee for services rendered during the policy period excluding executive officers and employees engaged primarily in clerical operations and excluding extra wages paid for overtime.
3. "Short-rate return premium" shall be defined to mean the amount obtained by multiplying the pro rata return premium times 90%.



COUNTERSIGNED: By
DATE July 15, 2014

AUTHORIZED REPRESENTATIVE

COMMERCIAL GENERAL LIABILITY
CG 00 01 10 01

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and

- (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance ; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;

- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while taking part in athletics.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

h. War

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.

- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All costs taxed against the insured in the "suit".
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- These payments will not reduce the limits of insurance.
2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".
- So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.
- Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
 - b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage Cbecause of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**
 - a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communicationprovided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - While it is in or on an aircraft, watercraft or "auto"; or
 - While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - Vehicles maintained for use solely on or next to premises you own or rent;
 - Vehicles that travel on crawler treads;
 - Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - Power cranes, shovels, loaders, diggers or drills; or
 - Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - Cherry pickers and similar devices used to raise or lower workers;
 - Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - Equipment designed primarily for:
 - Snow removal;
 - Road maintenance, but not construction or resurfacing; or
 - Street cleaning;
 - Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- False arrest, detention or imprisonment;
 - Malicious prosecution;
 - The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - The use of another's advertising idea in your "advertisement"; or
 - Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be short-rate. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement: "Hazardous properties" include radioactive, toxic or explosive properties; "Nuclear material" means "source material", "Special nuclear material" or "by-product material"; "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof; "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. "Property damage" includes all forms of radioactive contamination of property.

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States of America or Canada where the Company is incorporated or maintains a principal place of business, where the Named Insured is incorporated or maintains a principal place of business or where the cause of action arises.

It is further agreed that service of process in such suit may be made upon the Claim Managers of National Claim Services, Inc., Post Office Box 500698 (31150), Northridge Center 1, 365 Northridge Rd. Suite 400, Atlanta, GA 30350, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such Court or by the final decision of the Appellate Court in the event of any appeal.

The Claims Manager of National Claim Services, Inc. is authorized and directed to accept service of process on behalf of the company in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that it or they will enter a general appearance upon the Company's behalf in the even such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America or province of Canada, which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for the purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon who may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of Insurance, and hereby designate the above-named as the person to whom said officer is authorized to mail such process or a true copy thereof.

ENDORSEMENT #1

ABSOLUTE MINIMUM PREMIUM
(25% MINIMUM)

Notwithstanding anything herein to the contrary, in the event that this policy is cancelled by the Named Insured, it is hereby agreed that this policy is subject to an absolute minimum premium of \$52,500.00. Such absolute minimum premium shall not be subject to pro rata or short rate adjustment.

In the event of cancellation by the Named Insured, the premium due under this policy will be the greater of the following:

- (1) The Minimum and Deposit premium shown in the Declarations multiplied times the applicable short-rate earned premium factor.
- (2) The earned premium based upon the policy rate multiplied times the gross receipts, payroll or other premium adjustment basis for the policy period.
- (3) The absolute minimum premium shown above.

For purposes of this endorsement, cancellation of this policy for nonpayment of premium by the Named Insured's premium finance company shall be deemed to be cancellation by the Named Insured.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #2

DESIGNATED PROJECT COVERAGE

Notwithstanding anything to the contrary hereunder, such coverage as provided by this policy will only apply to the construction project being performed at the following location:

DESIGNATED PROJECT COVERAGE: Coverage will be limited to the scheduled project – the removal and replacement of floor tiles on the entire second floor of Kings Plaza Mall located at:

5100 Kings Plaza
Brooklyn, NY 11234

Term for the project(s) will be as stated above or to the end of project, whichever comes first.
Premium is fully earned upon completion of the covered project(s).

Coverage will be limited to the scheduled project, details of which are on file with Prime Specialty, Inc.

Premium shall be deemed fully earned at the conclusion of the project.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #3

ASBESTOS EXCLUSION

In consideration of the premium charged and notwithstanding anything to the contrary contained in this policy, it is hereby agreed that the coverage afforded by this policy does not apply to "bodily injury", "personal injury" or "property damage" arising out of:

- 1) inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
- 2) the use of asbestos in constructing or manufacturing any good, product or structure; or
- 3) the removal of asbestos from any good, product or structure; or
- 4) the manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #4

CHEMICAL, BIOLOGICAL, BIO – CHEMICAL, AND ELECTROMAGNETIC
WEAPONS EXCLUSION CLAUSE

A. CHEMICAL, BIOLOGICAL, BIO – CHEMICAL, ELECTROMAGNETIC WEAPONS
EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss, damage, liability or expense, directly or indirectly caused by, or contributed to by, or arising from
 - 1.1 any chemical, biological, bio-chemical or electromagnetic weapon

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #5

CONSTRUCTION DEFECT EXCLUSION

In consideration of the premium charged, it is hereby agreed that the policy is amended as follows:

(A) Exclusion 2.I set forth in Section I is amended to read:

I. **Damage to Your Work**

"Property damage" to "your work".

(B) For purposes of the definition of "your work" set forth in Section V, "Work or operations performed by you or on your behalf" shall include but not be limited to work performed by your subcontractors or by any subcontractors of your subcontractors.

(C) Clause 14.c. of the definition of "Personal and advertising injury" set forth in Section V, "The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor," is deleted where the foregoing arises in whole or in part out of "your work".

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #6

CONSTRUCTION/CONTRACTING PAYROLL – EXCLUSION

With exceptions for supervisory, janitorial, miscellaneous punch list work including carpentry & tiling repairs, painting touch up and debris removal labor, it is hereby understood and agreed that there is no construction/contracting payroll attributed to any Named Insured.

This policy shall exclude all claims alleging "Bodily Injury", "Property Damage" and "Personal & Advertising Injury" arising out of construction/contracting work performed by employees of the Named Insured.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #7

CONTINUOUS DAMAGE EXCLUSION

In consideration of the premium charged, it is hereby agreed that this policy shall not apply to any claim for "property damage" arising out of "your work" within the "products-completed operations hazard" if:

1. The "property damage" arises out of or is alleged to have arisen out of "your work" at a "single location" under a "single contract", and
2. Such claim is at any time presented to a commercial general liability policy under which you are an insured that has an attachment date prior to the attachment date of this policy.

For purposes of this policy:

- a) A "single location" shall be defined to be the larger of the following:
 - (i) A single freestanding building;
 - (ii) A series of separate buildings on a single contiguous parcel of land that are under common ownership or control; or
 - (iii) A series of separate buildings or dwellings which are part of the same housing development.
- b) A "single contract" shall be all work performed at a "single location" unless "your work" is part of an annual maintenance agreement in which case each year shall be treated as a separate "single contract".

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #8

CROSS LIABILITY EXCLUSION

It is hereby agreed that this policy shall not apply to any liability of one Named Insured for "bodily injury" or "personal injury" to an employee of another Named Insured, nor shall it apply to "property damage" to real or personal property of another Named Insured.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #9

EMPLOYMENT RELATIONS EXCLUSIONS

In consideration of the premium charged, it is hereby agreed that this policy shall not apply to "bodily injury", "property damage" or "personal injury" to:

- (1) An employee or former employee of any insured, whether or not arising out of or in the course of employment by the insured, or an applicant for employment with any insured, if the "bodily injury", "property damage" or "personal injury" arises out of any of the following:
 - a. Refusal to Employ or Rehire;
 - b. Termination of Employment, Lay-Off or Retirement;
 - c. Coercion;
 - d. Demotion or Non-Promotion;
 - e. Performance Evaluation;
 - f. Reassignment or Transfer;
 - g. Discipline;
 - h. Defamation;
 - i. Harassment;
 - j. Humiliation
 - k. Discrimination including but not limited to discrimination based upon race, color, creed, religion, political belief, age, physical type, physical limitation or handicap, medical condition, sex or sexual orientation;
 - l. Sexual abuse including rape, sodomy, sexual acts of a non-consenting nature, sexual harassment or humiliation, and assault and battery in connection with the foregoing;
 - m. Other employment related practices, policies, acts or omissions; or
- (2) The spouse, domestic partner, child, parent, brother, sister, or other relative of that employee, former employee or any applicant for employment as consequence of (1) above.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #10**ABSOLUTE EXTERIOR INSULATION FINISH SYSTEMS (EIFS) EXCLUSION**

In consideration of the premium charged, it is hereby agreed that coverage afforded by this policy does not apply to "bodily injury", "personal injury" or "property damage" arising out of:

1. The design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including removal, remodeling, service, correction or replacement of an **"exterior insulation and finish system"** (commonly referred to as synthetic stucco) or any part thereof, or any substantially similar system or any part thereof, including the application of use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.
2. Any work or operations with respect to any exterior component, fixture or feature of any structure if an **"exterior insulation and finish system"** is used on any part of that structure.

For the purposes of this endorsement, an **"exterior insulation and finish system"** means an exterior cladding or finish system used on any part of any structure and consisting of:

- a) a polystyrene insulation board that is attached to the substrate;
- b) a reinforced base coat; and
- c) a finish coat providing surface texture and color.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #11

LEAD EXCLUSION

In consideration of the premium charged and notwithstanding anything to the contrary contained in this policy, it is hereby agreed that the coverage afforded by this policy does not apply to "bodily injury", "personal injury" or "property damage" arising out of:

- 1) inhaling, ingesting or prolonged physical exposure to lead or goods or products containing lead; or
- 2) the use of lead in construction or manufacturing any good, product or structure; or
- 3) the removal of lead from any good, product or structure; or
- 4) the manufacture, transportation, storage or disposal of lead or goods or products containing lead.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #12

LEASED WORKER EXCLUSION

Notwithstanding anything contained elsewhere herein to the contrary, it is hereby agreed that this policy specifically excludes any sum(s) for which the insured is or may become liable to pay including costs of defense, with respect to legal and/or contractual liability for Bodily Injury and/or Personal Injury to any LEASED WORKER.

The term "LEASED WORKER" as used in this endorsement is defined as any person who is working on behalf of the insured on either a temporary or permanent basis under an EMPLOYEE LEASING AGREEMENT.

EMPLOYEE LEASING AGREEMENT means an arrangement under contract or other agreement whereby an EMPLOYEE PROVIDER FIRM provides one or more LEASED WORKERS to a client company for any period of time regardless of duration.

EMPLOYEE PROVIDER FIRM means an entity whose principal business is providing personnel to client companies but retains the obligation to provide coverage for Workers Compensation and/or other statutory compensation acts.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #13

MOLD, FUNGUS, BACTERIA, VIRUS AND ORGANIC PATHOGEN EXCLUSION

In consideration of the premium charged, it is hereby agreed that this policy shall not apply:

1. to "bodily injury", "property damage", or "personal and advertising injury";
2. to damages for devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space;
3. to any loss, cost or expense, including but not limited to fines and penalties, arising out of any governmental direction or request, or any private party or citizen action, that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "organic pathogens", or
4. to any litigation or administrative procedure in which an insured may be involved as a party;

arising directly, indirectly, or in concurrence or in any sequence out of actual, alleged or threatened existence, discharge, dispersal, release or escape of "organic pathogens", whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature.

In addition, this insurance does not apply to any "bodily injury", "property damage", "personal and advertising injury", loss, cost or expense arising out of or related to any form of "organic pathogens", whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is intentionally caused, or whether or not such injury, damage, devaluation, cost or expense is expected or intended from the standpoint of the insured.

"Organic pathogen" means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

"Waste" means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #14

MTBE EXCLUSION

In consideration of the premium charged and notwithstanding anything to the contrary contained in this policy, it is hereby agreed that the coverage afforded by this policy does not apply to "bodily injury", "personal and advertising injury" or "property damage" arising out of:

- 1) inhaling, ingesting or prolonged physical exposure to Methyl Tertiary-Butyl Ether (MTBE) or goods or products containing MTBE; or
- 2) the use of MTBE in construction or manufacturing any good, product or structure; or
- 3) the removal of MTBE from any good, product or structure; or
- 4) the manufacture, transportation, storage or disposal of MTBE or goods or products containing MTBE.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #15

OCCUPATIONAL DISEASE EXCLUSION

It is understood and agreed that this insurance shall not cover any liability, loss, damage or expense as regards bodily injury and/or personal injury (fatal or non-fatal) resulting from occupational disease sustained by any employee of the Named Insured.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #16

ABSOLUTE PCB EXCLUSION

It is hereby agreed that this policy shall not apply to any claim with respect to any actual, alleged, threatened or potential discharge, dispersal, release or escape of PCB or any material or substance containing or alleged to contain PCB into or upon any person, any structure, the land, the air or any watercourse or body of water, regardless of whether or not such discharge, dispersal, release or escape is cumulative, gradual, sudden or accidental.

The term PCB as used in this endorsement means polychlorinated biphenyl or any derivative thereof.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #17

EXCLUSION OF PREVIOUSLY REPORTED CLAIMS OR OCCURRENCES

In consideration of the premium charged, it is hereby agreed that this policy shall not apply to:

- (1) any claim or occurrence shown in the policy application on file with this company, or to
- (2) any claim or occurrence of which the insured had received written notice prior to the inception date of this policy, or to
- (3) any claim which is first made against any prior claims-made policy, or to
- (4) any claim which is covered under a prior claims-made policy by reason of a Notice of Circumstance, Extended Reporting or similar clause or which would have been covered by such prior claims-made policy but for the exhaustion of aggregate limits. A Notice of Circumstance, Extended Reporting or similar clause shall be defined to include those clauses wherein an occurrence is reported to a prior insurance carrier during the policy term or extended reporting period of such prior claims-made policy and a claim is subsequently made within the time limit stipulated by the Notice of Circumstance, Extended Reporting or similar clause.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #18

ABSOLUTE POLLUTION EXCLUSION

- A. In consideration of the premium charged, it is hereby agreed that this policy shall not apply to any liability for "bodily injury", "property damage" or "personal injury" arising directly or indirectly out of the actual, alleged or threatened "release" of "pollutants".

The intent and effect of this exclusion is to delete from such coverage as is afforded by this policy any "occurrence", claim, "suit", damages or expense in any way arising out of the actual or threatened "release" of "pollutants", regardless of when such "release" occurs or is likely to occur, and whether or not (i) such "release" arises out of the activities of the insured or the activities of others; (ii) such "release" is sudden or gradual; or (iii) such "release" is expected, intended, foreseeable, accidental, fortuitous, inevitable or the result of natural chemical processes.

B. Definitions:

- (1) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

The term "pollutants" shall include chemical compounds or elements that are knowingly or inadvertently contained within "your product" or "your work" that pose a threat to persons or property in the event of their release or escape, regardless of whether or not such release or escape is due to a sudden event or a gradual process.

The term "pollutants" shall also include any elements, chemical compounds or waste products which have escaped from, have been released from, or pose a threat of escape from, tanks, drums, pipelines, hoses, or any other conveyance or container and as a consequence pose a threat to persons or property.

- (2) "Release" means discharge, dispersal, seepage, release or escape of "pollutants" into the land, air (within a building or into the atmosphere) or any watercourse, water supply, reservoir or body of water.

- C. Without intent to limit the scope of the above Absolute Pollution Exclusion, but rather for the purpose of illustration, it is hereby agreed that this policy shall not apply to:

- (1) "Bodily injury", "property damage" or "personal injury" arising out of the actual, alleged or threatened discharge, dispersal, release or escape of "pollutants":
- (a) At or from premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured; or
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by any insured or by any person or organization for whom you may be legally responsible; or
 - (d) At or from any site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with the operations by such insured, contractor or subcontractor; or
 - (e) Arising directly or indirectly out of "your product" or "your work".
- (2) Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement than any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (3) Any loss, cost, or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #19

PRIOR WORK EXCLUSION

It is understood and agreed that this policy shall exclude all liabilities arising out of work performed at the designated project site prior to July 1, 2014.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #20

PROFESSIONAL LIABILITY EXCLUSION

It is hereby agreed that this policy shall not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any of the following professional services:

- 1) Architect and Engineering Services, including the preparing, approving or failure to approve, maps, shop drawings, opinions, reports, surveys, field orders or drawings and specifications.
- 2) Medical, Dental, Nursing or Long Term Care Services, including the prescribing of or the failure to prescribe drugs and/or a course of treatment.
- 3) Legal, Accounting, Tax Preparation, Financial or Investment Services.
- 4) Insurance Agent or Brokering Services, including the procurement of or the failure to procure insurance in respect of personal lines, commercial lines, accidental and health, life insurance or annuities.
- 5) Real Estate Agent, Title Agent, Mortgage Broker or Home Financing Services.
- 6) Software, Computer Hardware or Web Site design or installation.

It is further agreed that this policy shall not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any supervisory, inspection, review or consultancy services performed in connections with any of the above professional services.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #21

RESPIRATORY AILMENT EXCLUSION

It is hereby understood and agreed that this policy shall not apply to any liability for bodily injury, sickness, disease, disability or shock including death at anytime resulting therefrom caused by any of the following:

- (1) Black Lung Disease,
- (2) Mesothelioma,
- (3) Emphysema,
- (4) Pneumoconiosis,
- (5) Pulmonary Fibrosis,
- (6) Pleurisy,
- (7) Asbestosis,
- (8) Silicosis,
- (9) Talcosis,
- (10) Mycotoxin Poisoning, Mycotoxicosis
- (11) Tricothecene Toxicosis
- (12) Stachybotryotoxicosis
- (13) Severe Acute Respiratory Syndrome (SARS)

or any lung cancer, disease or ailment caused by or aggravated by inhalation of dust and/or particulate matter.

The coverage afforded by this policy shall not apply to payment for the investigation or defense of any claim or suit related to any of the above or to any fine or penalty.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #22

SELF-INSURED RETENTION ENDORSEMENT
(DEFENSE COSTS INCLUSIVE)

IT IS AGREED THAT THIS INSURANCE IS SUBJECT TO THE FOLLOWING ADDITIONAL PROVISIONS. IN THE EVENT OF CONFLICT WITH ANY PROVISIONS ELSEWHERE IN THE POLICY, THE PROVISIONS OF THIS ENDORSEMENT SHALL BE DEEMED TO APPLY.

- (A) The total liability of the Company for all damages shall not exceed the limits of liability as stated in the Policy Declarations, and shall apply in excess of the insured's self-insured retention, hereinafter called the Retained Limit.

RETAINED LIMIT

Each Occurrence: \$10,000.00
Aggregate, If Applicable: Not Applicable

- (B) No claim shall be payable under this policy unless the aggregate liability for any one occurrence, including all legal fees, loss adjustment expenses and premises medical payments, exceeds the above Retained Limit, and this sum shall be deducted from the amount payable hereunder. For purposes of this endorsement the Each Occurrence Retained Limit shall apply to any and all coverages which are not otherwise excluded by this policy, including claims for "bodily injury", "property damage", "personal injury", "advertising injury", "professional liability" and "fire legal liability".
- (C) The section entitled "Supplementary Payments" shall not apply until the Each Occurrence Retained Limit is exceeded in accordance with Clause (B). The Company, at its own expense, shall have the right and opportunity to associate with the insured in the defense, appeal or control of any claim or suit arising out of an occurrence to which this insurance applies seeking damages in excess of the Retained Limit. In such event, the insured and Company shall cooperate fully.
- (D) Should any occurrence appear likely to exceed the Retained Limit, no loss expenses or legal expenses shall be incurred on behalf of the Company without its prior consent.
- (E) In the event that the Aggregate Retained Limit is exhausted by the sum total of payments within the Each Occurrence Retained Limit, then the provisions of this Retention Endorsement shall no longer apply, and all terms and conditions of this policy are reinstated to their full force and effect. The Company shall then be obligated to assume charge of the settlement or defense of any claim or suit to which this insurance applies which has not yet been settled.
- (F) The Policy Condition with respect to the Insured's Duties in the Event of Occurrence, Claim or Suit is replaced by the following:
- (1) The insured shall report as soon as practicable to the Company each occurrence, claim or suit for which the insured's estimated amount of loss, including legal fees and expenses, equals 50% or more of the above Each Occurrence Retained Limit or \$50,000., whichever amount is the lesser.

- (2) Notwithstanding the above, the insured shall immediately report any incident which involves any of the following injuries:
 - (a) fatality
 - (b) spinal cord injuries, paralysis, quadriplegia or paraplegia
 - (c) disc or fusion surgery
 - (d) closed head injuries or head injuries resulting in impaired, mental or motor ability, seizures
 - (e) loss of hand, crushing injury to hand, multiple finger loss, loss of arm, foot or leg
 - (f) internal injuries resulting in impaired organ function
 - (g) severely impaired vision or blindness
 - (h) second or third degree burns over 20 percent or more of the body
 - (i) multiple fractures involving more than one limb
 - (j) rape or sexual assault
 - (k) medical specials exceed \$25,000
 - (l) loss of taste, smell or hearing
 - (m) any other serious bodily injury which the insured feels is likely to involve this policy.
- (3) The insured's report of loss should include written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances of loss, the names and addresses of the injured parties or property owner, and the identity of any known witnesses.
- (4) In the event of suit, the insured shall immediately forward to the Company every demand, notice, summons or other process received by him or his representative.
- (5) The insured shall cooperate with the Company and, upon the Company's request, assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured. The insured shall attend hearings and trials and assist in securing and giving evidence and obtaining witnesses.
- (6) WARRANTY: IT IS A CONDITION OF COVERAGE AND THE NAMED INSURED AGREES THAT AS A SELF-INSURER IT SHALL HAVE THE SAME LEGAL DUTIES AND OBLIGATIONS WITH REGARD TO THE COMPANY THAT A PRIMARY INSURER OWES TO AN EXCESS INSURER. THESE DUTIES AND OBLIGATIONS SHALL INCLUDE:
 - (A) A DUTY TO ACT AT ALL TIMES IN GOOD FAITH TOWARDS THE COMPANY.
 - (B) A DUTY TO ACCEPT ALL REASONABLE SETTLEMENT DEMANDS WITHIN THE RETAINED LIMIT.
 - (C) A DUTY TO EXPLORE REASONABLE SETTLEMENT POSSIBILITIES EVEN IN THE ABSENCE OF A SETTLEMENT DEMAND.
 - (D) A DUTY TO PROMPTLY REMIT ITS PORTION OF ANY SETTLEMENT AMOUNT AND ADJUSTMENT EXPENSES IN ORDER TO EFFECTUATE A SETTLEMENT.

- (7) If required the insured shall provide written reports of all occurrences, claims or suits including a description of each loss and amounts paid and/or reserved.

(G) SPECIAL CONDITIONS

- (1) The insured shall employ the firm of National Claim Services, Inc., Post Office Box 500698 (31150), Northridge Center 1, 365 Northridge Rd. Suite 400, Atlanta, GA 30350, (800) 424-0132 for the purpose of providing claims service. In the event of cancellation, expiration or revision of the contract between the insured and the Self-Insurance Service Company, the insured shall notify the Company within ten (10) days of the expiration or revision.
- (2) The insured may procure insurance for all or any part of the Retained Limit, however, the existence of any such insurance shall not relieve the insured of any of the duties or obligations contained in this endorsement unless specifically agreed by the Company and endorsed hereon.
- (3) At its own expense, the Company shall have the right to assume charge of the defense and/or settlement of any claim or suit brought against the insured and, upon written request from the Company, the insured shall tender such portion of the self-insured retention as the Company may deem necessary to complete the settlement of such claim or suit.
- (4) Failure of the insured to promptly remit amounts due within the retained limit in connection with settlements, judgments and loss adjustment expenses under this policy or any policy of which this policy is a renewal shall be deemed to be non-payment of premium.
- (5) Unless expressly endorsed to the contrary, each Named Insured under this policy shall be jointly and severally liable for amounts due within the Retained Limit.

This endorsement is subject to all the agreements, conditions and exclusions of the policy unless such agreements, conditions and exclusions are expressly modified or expressly eliminated hereby.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #23

SEXUAL AND/OR PHYSICAL ABUSE EXCLUSION

This policy shall not apply to any loss, cost, claim, damage or expense caused by, resulting from, or arising out of Sexual and/or Physical Abuse, Physical or Non-Physical Sexual Harassment, or Molestation by: (1) the insured, (2) any past or present employee of the insured, (3) subcontractors of the insured or any employees thereof, or (4) any person performing volunteer services by or on behalf of the insured.

It is further agreed that this policy shall not apply to any Sexual and/or Physical Abuse, Physical or Non-Physical Sexual Harassment, or Molestation as set forth above arising out of or alleged to have arisen out of "Negligent Employment."

"Negligent Employment" shall be defined to include any negligent act, error or omission in the hiring, background investigation, retention or "negligent supervision" of any person for whom the insured is or was legally responsible. For purposes of this endorsement "negligent supervision" shall be defined to include any act, error or omission in reporting to or in failing to report federal, state or local administrative or regulatory body any actual or suspected Sexual and/or Physical Abuse, Physical or Non-Physical Sexual Harassment, or Molestation.

It is further agreed that the Company shall have no duty or obligation to provide or pay for the investigation or defense of any loss, claim or suit excluded hereunder.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #24

SILICOSIS EXCLUSION

In consideration of the premium charged and notwithstanding anything to the contrary contained in this policy, it is hereby agreed that this policy does not apply to "bodily injury" or "personal injury" arising out of the inhaling, ingesting or prolonged exposure to sand or silica dust or to goods or products containing sand or silica dust. It is further agreed that this policy shall not apply to payment for investigation or defense of any loss, injury or damage or for any fine, penalty or punitive damages related to the foregoing.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #25

COVERAGE LIMITATION - SUBCONTRACTED WORK

It is hereby agreed that this policy shall not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of work performed on your behalf by a subcontractor "engaged" by you unless you have complied with at least one of the following conditions:

(1) Contractual Indemnification: You have entered into a valid and enforceable contract with each subcontractor "engaged" by you out of whose work (or work performed by any person or entity "engaged" by such contractor) such "bodily injury", "property damage", "personal injury", or "advertising injury" arose.

- (a) Such contract shall stipulate that such subcontractor "engaged" by you will agree to defend, hold harmless and indemnify you and any person on whose behalf you are performing work and/or are required to defend, hold harmless and indemnify (including but not limited to property owners, general contractors, government entities, and construction managers).
- (b) Such indemnification shall apply to the fullest extent permitted by applicable law in the event of loss, including, but not limited to any "suit" arising out of any loss suffered by any employee of the subcontractor (and any person or any employee of any entity "engaged" by such subcontractor).
- (c) Such indemnification shall apply unless such loss arises solely out of your negligence.

(2) Insurance Coverage: You and any person on whose behalf you are performing work and/or are required to defend, hold harmless and indemnify (including but not limited to property owners, general contractors, government entities and construction managers) are named as additional insureds under a valid and collectible Commercial General Liability Policy written on behalf of each subcontractor "engaged" by you out of whose work (or work performed by any person or entity "engaged" by such contractor) such "bodily injury", "property damage", "personal injury", or "advertising injury" arose.

- (a) Such policy shall be written on terms no less broad than ISO Form CG 00 01 10 01 (2001 Occurrence Form) with limits of not less than \$1,000,000. any one occurrence, \$2,000,000. general aggregate and \$1,000,000. products-completed operations aggregate.
- (b) Such coverage shall apply to the fullest extent permitted by applicable law in the event of loss, including, but not limited to any "suit" arising out of any loss suffered by an employee of the subcontractor (and any person or any employee of any entity "engaged" by such subcontractor).
- (c) Such coverage shall apply to such loss unless such loss arises solely out of your negligence.

- (d) Such coverage shall be primary to any limits available under this policy, notwithstanding any other clause to the contrary, including but not limited to any Other Insurance Clause contained in this policy or subcontractor's policy.
- (e) You will endeavor to obtain certificates of insurance evidencing such coverage from all such subcontractors.

For purposes of this endorsement, "engaged" means obtained the services of, or contracted with, to perform work, regardless of whether or not there exists a formal, written contract.

UNINTENTIONAL ERRORS & OMISSIONS

Notwithstanding the Coverage Limitation – Subcontracted Work Endorsement, shown above, it is hereby agreed that the following shall apply:

As a condition of binding coverage, you agree to have written procedures in place requiring indemnification from subcontractors "engaged" by you.

However, in the event of your unintentional non-compliance with Paragraph (1) of the Coverage Limitation – Subcontracted Work Endorsement and where the subcontractor does not provide coverage in accordance with Paragraph (2) of the Coverage Limitation – Subcontracted Work Endorsement, the self-insured retention is amended to read \$25,000.00 with respect to any loss arising out of work performed on your behalf by such subcontractor.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #26

TERRORISM EXCLUSION CLAUSE – ABSOLUTE

This policy excludes any loss, damage, liability or expense arising from:

- a) terrorism; and or
- b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organization(s) involving:

- (i) the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- (ii) putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

**DERIVED FROM JOINT EXCESS LOSS COMMITTEE TERRORISM EXCLUSION CLAUSE
16/11/01 XL 2001/002.**

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #27

AMENDMENT - DEFINITION OF PERSONAL AND ADVERTISING INJURY

It is hereby agreed that Clause 14.c. of the definition of "Personal and Advertising Injury", set forth in Section V., "The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor", is deleted where the foregoing arises in whole or in part out of "your work".

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #28

EXTENDED PRODUCTS COMPLETED OPERATIONS

In consideration of the premium charged*, it is hereby agreed that **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY - 1. INSURING AGREEMENT b. (2)** is deleted and replaced with the following:

- (2) The "bodily injury" or "property damage" occurs during the policy period. As respects the "products-completed operations hazard", this insurance is extended to apply to "bodily injury" or "property damage" occurring during seventy-two (72) months from the time of completion of operations; and

The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" regardless of when the "bodily injury" or "property damage" occurred.

*It is understood that a flat premium of _____ has been charged for this coverage. Upon completion of the project, the Named Insured must advise the Company of the completion date in order for this **EXTENDED PRODUCTS-COMPLETED OPERATIONS** endorsement to be effected.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

ENDORSEMENT #29

DEMOLITION OPERATIONS EXCLUSION – ABSOLUTE

In consideration of the premium charged, it is hereby agreed that all claims for "Bodily Injury", "Property Damage", "Personal and Advertising Injury" arising out of demolition operations performed by or on behalf of the Named Insured are excluded from coverage hereunder.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

Named Insured: Scungio Borst & Associates LLC
Policy Number: CTM1300794

Effective Date of Endorsement: July 1, 2014

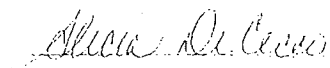
ENDORSEMENT #30

BLANKET ADDITIONAL INSURED

Effective inception it is agreed that this Policy shall include as additional Insureds any person or organization to whom the Named Insured has agreed by written contract to provide coverage, but only with respect to operations performed by or on behalf of the Named Insured and only with respect to occurrences subsequent to the making of such written contract.

THE INCLUSION OF AN ADDITIONAL INSURED SHALL BE SUBJECT TO ALL OTHER TERMS AND CONDITIONS CONTAINED IN THIS POLICY.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.



ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

Named Insured: Scungio Borst & Associates LLC
Policy Number: CTM1300794

Effective Date of Endorsement: July 1, 2014

ENDORSEMENT #31

BLANKET WAIVER OF SUBROGATION

Effective inception it is agreed that the Company waives any rights of subrogation to which it may be entitled if prior to loss the Insured has agreed to such waiver in writing, but only to the extent required by said written agreement.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

Michael Di Cenzo

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

Named Insured: Scungio Borst & Associates LLC
Policy Number: CTM1300794

Effective Date of Endorsement: July 1, 2014

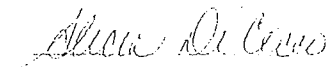
ENDORSEMENT #32

PRIMARY AND NON-CONTRIBUTORY

Effective inception and in consideration of the premium charged, where required by written contract, it is agreed that this policy shall be primary to any insurance carried by an additional insured, and any insurance carried by such additional insured shall not be called upon to contribute to any claim covered under this policy, provided that the claim arises directly from work performed by the Named Insured or others working directly on behalf of the Named Insured and provided further that the "occurrence" that gives rise to such claim happened subsequent to the execution of the written contract.

It is warranted that whenever the Named Insured has agreed by written contract to be primary to any insurance carried by an additional insured, the Named Insured will require by written contract that the Commercial General Liability policy of any contractor or subcontractor of the Named Insured will be primary to any insurance carried by the Named Insured and that the Named Insured's Commercial General Liability policy shall not be called upon to contribute to any claim covered under any policy of such contractor or subcontractor.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.



ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

Index No.: 513231/2016

HASAN TAHIRAJ,

Plaintiff,

- against -

BROOKLYN KINGS PLAZA LLC, SCUNGIO
BORST & ASSOCIATES, LLC and ECLIPSE
CONSTRUCTION SERVICES, INC.

Defendants.

RESPONSE TO PLAINTIFF'S COMBINED DEMANDS
McMAHON, MARTINE & GALLAGHER, LLP
ATTORNEYS FOR DEFENDANTS SCUNGIO BORST & ASSOCIATES, LLC
55 WASHINGTON STREET, SUITE 720
BROOKLYN, N.Y. 11201
(212) 747-1230

All Documents Contained Herein Certified Pursuant to Rule 130 By:


RACHEL REID, ESQ.

STATE OF NEW YORK, COUNTY OF KINGS ss: (If more than one box check - indicate after names type of service used)
I, Natasha Espillat, being sworn, say: I am not a party to the action, am over 18 years of age and
reside at 55 Washington Street, Brooklyn, NY. On September 20, 2018, I served the within
RESPONSE TO PLAINTIFF'S COMBINED DEMANDS

☒ by depositing a true copy thereof enclosed in a post-paid wrapper in an official Mail depository under
the exclusive care and custody of the U.S. Postal Service within New York State, addressed to each
of the following persons at the last known address set forth after each name: SEE ATTACHED
RIDER

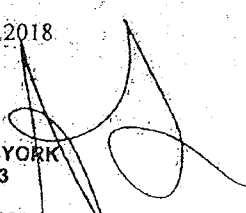
by delivering a true copy thereof personally to each person named below at the address of Service
indicated. I knew each person served to be the person mentioned and described in said papers as a
party therein:

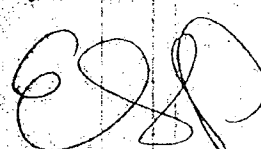
by transmitting the papers by electronic means to the telephone number listed below, which number
was designated by the attorney for such purpose. I received a signal from the equipment of the
attorney served indicating that the transmission was received. I also deposited a true copy of the
papers, enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody
of the U.S. Postal Service, addressed to the attorney at the address set forth after the name:

TO: SEE ATTACHED RIDER

Sworn to before me on

The 20 day of September, 2018


ASHLEY E. SILVERSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No.: 01SI6366583
Qualified in Kings County
Commission Expires Oct. 30, 2021


Natasha Espillat